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*Consolidated Financial Statements of*

# SUNRISE INTERNATIONAL INC.

*September 30, 1996*

Deloitte & Touche

Deloitte & Touche

**Deloitte & Touche**
**Chartered Accountants**

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# Auditors' Report

To the Shareholders of
Sunrise International Inc.

We have audited the consolidated balance sheets of Sunrise International Inc. as at September 30, 1996 and 1995 and the consolidated statements of earnings and retained earnings and changes in financial position for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 1996 and 1995 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

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**Chartered Accountants**

December 3, 1996

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# SUNRISE INTERNATIONAL INC.
## Consolidated Balance Sheets
**September 30, 1996 and 1995**

| | 1996 | 1995 |
|---|---|---|
| **ASSETS** | | |
| CURRENT | | |
| Accounts receivable | $ 1,593,458 | $ 1,501,075 |
| Inventories | 2,733,506 | 2,382,906 |
| Prepaid expenses and deposits | 151,237 | 156,673 |
| | 4,478,201 | 4,040,654 |
| OTHER RECEIVABLES | 117,060 | 124,903 |
| PROPERTIES HELD FOR DEVELOPMENT (Note 3) | 1,276,604 | 1,217,112 |
| RENTAL PROPERTIES (Note 4) | 8,630,829 | 8,635,474 |
| CAPITAL ASSETS (Note 5) | 17,148,224 | 16,942,532 |
| INVESTMENTS IN AND ADVANCES TO SIGNIFICANTLY INFLUENCED COMPANIES AND OTHER INVESTMENTS (Note 6) | 1,344,670 | 942,482 |
| DEFERRED COSTS | 53,377 | 60,107 |
| GOODWILL (Note 7) | 535,774 | 559,149 |
| | $ 33,584,739 | $ 32,522,413 |
| **LIABILITIES** | | |
| CURRENT | | |
| Bank indebtedness (Note 8) | $ 451,604 | $ 623,027 |
| Accounts payable and accrued liabilities | 1,640,908 | 1,819,749 |
| Income taxes payable | 196,241 | 60,275 |
| Current portion of long-term debt (Note 9) | 1,830,715 | 1,606,171 |
| Current portion of deferred income taxes | 670,000 | 500,000 |
| | 4,789,468 | 4,609,222 |
| LONG-TERM DEBT (Note 9) | 15,436,092 | 15,221,036 |
| DEFERRED INCOME TAXES | 962,129 | 600,000 |
| MINORITY INTEREST AND ADVANCES | - | 200,000 |
| | 21,187,689 | 20,630,258 |
| CONTINGENCIES AND COMMITMENTS (Note 10) | | |
| **SHAREHOLDERS' EQUITY** | | |
| Share capital (Note 11) | 12,087,776 | 12,087,776 |
| Contributed surplus | 91,610 | 91,610 |
| Retained earnings (deficit) | 217,664 | (287,231) |
| | 12,397,050 | 11,892,155 |
| | $ 33,584,739 | $ 32,522,413 |

APPROVED BY THE BOARD

..... Director

..... Director



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# SUNRISE INTERNATIONAL INC.
## Consolidated Statements of Earnings and Retained Earnings
**Years ended September 30, 1996 and 1995**

| | 1996 | 1995 |
|---|---|---|
| INCOME | | |
| Sales | | |
| Tourism and hotels | $ 11,367,499 | $ 11,044,346 |
| Retail | 9,514,932 | 10,257,754 |
| Rental | 1,063,293 | 871,099 |
| Income from investments in significantly influenced companies | 104,441 | 95,590 |
| Other | 171,769 | 229,400 |
| | 22,221,934 | 22,498,189 |
| EXPENSES | | |
| Cost of sales | | |
| Tourism and hotels | 3,797,717 | 3,883,102 |
| Retail | 7,728,174 | 8,189,599 |
| Rental | 152,817 | 93,867 |
| General and administrative expenses | 5,884,717 | 5,658,017 |
| | 17,563,425 | 17,824,585 |
| EARNINGS BEFORE THE FOLLOWING | 4,658,509 | 4,673,604 |
| OTHER CHARGES | | |
| Depreciation and amortization | 1,486,342 | 1,629,048 |
| Provision for impairment in value of assets | - | 101,175 |
| Interest | | |
| Long-term debt | 1,504,826 | 1,579,614 |
| Operating interest and bank charges | 286,446 | 283,705 |
| Other | - | 149,496 |
| | 3,277,614 | 3,743,038 |
| EARNINGS BEFORE INCOME TAXES | 1,380,895 | 930,566 |
| INCOME TAXES (Note 12) | 876,000 | 675,000 |
| NET EARNINGS | 504,895 | 255,566 |
| DEFICIT, BEGINNING OF YEAR | (287,231) | (542,797) |
| RETAINED EARNINGS (DEFICIT), END OF YEAR | $ 217,664 | $ (287,231) |
| EARNINGS PER SHARE | $ 0.012 | $ 0.006 |



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# SUNRISE INTERNATIONAL INC.
## Consolidated Statements of Changes in Financial Position
**Years ended September 30, 1996 and 1995**

| | 1996 | 1995 |
|---|---|---|
| **NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING** | | |
| OPERATING | | |
| Net earnings | **$ 504,895** | $ 255,566 |
| Items not affecting cash | | |
| Deferred income taxes | **532,129** | 320,000 |
| Depreciation and amortization | **1,486,342** | 1,629,048 |
| Income from investments in significantly influenced companies | **(104,441)** | (95,590) |
| Provision for impairment in value of assets | **-** | 101,175 |
| Gain on disposal of assets | **(46,477)** | (61,801) |
| | **2,372,448** | 2,148,398 |
| Changes in non-cash operating working capital items | **(472,579)** | (324,926) |
| | **1,899,869** | 1,823,472 |
| FINANCING | | |
| Proceeds from long-term debt | **9,456,616** | 3,612,488 |
| Repayment of long-term debt | **(9,017,016)** | (2,206,449) |
| Repurchase of share capital | **-** | (92,453) |
| | **439,600** | 1,313,586 |
| INVESTING | | |
| Purchase of capital assets | **(1,398,930)** | (989,552) |
| Purchase of rental properties | **(281,596)** | (2,082,001) |
| Purchase of properties held for development | **(59,492)** | (176,638) |
| Proceeds from disposal of properties held for development | **-** | 359,461 |
| Proceeds from disposal of capital assets | **69,719** | 24,925 |
| (Purchase of and advances to) disposal of and advances from investments in and advances to significantly influenced companies and other investments - net | **(497,747)** | 346,879 |
| | **(2,168,046)** | (2,516,926) |
| **NET CASH INFLOW** | **171,423** | 620,132 |
| **BANK INDEBTEDNESS, BEGINNING OF YEAR** | **(623,027)** | (1,243,159) |
| **BANK INDEBTEDNESS, END OF YEAR** | **$ (451,604)** | $ (623,027) |



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## 1. DESCRIPTION OF BUSINESS

The Company is a holding company incorporated under the Business Corporations Act (Alberta). Its shares are traded on the Alberta Stock Exchange.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant inter-company transactions have been eliminated. The wholly-owned subsidiaries are:

Jasper Inn Investments Ltd.
Maligne Tours Ltd.
Yellowhead Leasing Company Ltd.
373568 Alberta Ltd.
497751 Alberta Ltd.
Park Place Building Ltd.
Sunrise Auctions Ltd.
Pyramid Construction Inc.
Jasper Travel Agency Ltd.
Onyx Investments Ltd.
Liquor Hut Inc.
581519 Alberta Ltd.
King Street Mall Ltd.
Yellowhead Equipment Inc.

## 2. ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles and include the following significant accounting policies:

*Inventories*

Inventories are valued at the lower of cost and net realizable value.

*Properties held for development*

Properties held for development are recorded at cost which includes the original purchase price, acquisition costs, interest on debt specifically related to the acquisition of the land, property taxes, and where applicable, development costs. Properties held for development are written down to estimated net realizable value in the year in which management determines that a permanent decline in value has occurred.



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## 2. ACCOUNTING POLICIES (continued)

*Rental properties and capital assets*

The Company records rental properties and capital assets at cost. Rental properties and capital assets acquired in 1989 from related parties were recorded at their fair market values at the time of transfer. Depreciation on these assets is provided using the following annual rates and methods:

| | |
|---|---|
| Rental buildings | 4% declining-balance |
| Tourism and hotel buildings | 4% declining-balance |
| Retail buildings | 5% declining balance |
| Condominiums | 4% declining-balance |
| Tourism marine vessels | 15% declining-balance |
| Parking lots | 8% declining-balance |
| Furniture and equipment | 10% - 30% declining-balance |
| Vehicles | 30% declining-balance |
| Signs | 25% declining-balance |

The following assets on leased land are depreciated on a straight-line basis over the term of the lease. The Company's land leases are within Jasper National Park and have various lease expiry dates between 2007 and 2022.

Rental buildings
Tourism buildings
Parking lots
Swimming pool
Condominiums

*Investments in and advances to significantly influenced companies and other investments.*

Investments in companies in which the Company has significant influence are accounted for on the equity basis. Other investments are recorded at cost and written down when management has determined there has been a permanent decline in value.

The investment in a partnership is accounted for on the equity basis.

*Deferred costs*

Costs relating to the leasing of lands in Jasper National Park have been capitalized. These costs are amortized over the term of the lease.

*Goodwill*

The excess of the cost of investments in subsidiaries over the fair value of the net assets acquired is recorded as goodwill. Goodwill is being amortized using the straight-line method over its estimated remaining life of nineteen to twenty-six years for assets on land leased in Jasper National Park. The Company assesses the continuing value of goodwill each year by considering current operating results, trends and projections. In the year of impairment in value, goodwill would be reduced by a charge to operations.



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## 3. PROPERTIES HELD FOR DEVELOPMENT

| | 1996 | 1995 |
|---|---|---|
| Purchase price of land | $ 581,449 | $ 581,449 |
| Leasehold interests in properties | 445,000 | 445,000 |
| Carrying costs | 250,155 | 190,663 |
| | $ 1,276,604 | $ 1,217,112 |

Leasehold interests in properties include land located within Jasper National Park held under various leases which expire between 2010 and 2011.

Carrying costs include interest capitalized during the year in the amount of $24,803 (1995 - $37,923).

## 4. RENTAL PROPERTIES

| | 1996 | | | 1995 |
|---|---|---|---|---|
| | Cost | Accumulated Depreciation and Amortization | Net Book Value | Net Book Value |
| Land | $ 2,658,040 | $ - | $ 2,658,040 | $ 2,658,040 |
| Buildings | 5,186,323 | 858,165 | 4,328,158 | 4,267,662 |
| Buildings on leased land | 2,052,478 | 695,760 | 1,356,718 | 1,443,681 |
| Parking lots | 454,237 | 169,815 | 284,422 | 258,891 |
| Signs | 21,565 | 18,074 | 3,491 | 7,200 |
| | $ 10,372,643 | $ 1,741,814 | $ 8,630,829 | $ 8,635,474 |

Buildings on leased land are located within Jasper National Park on land held under various leases which expire between 2010 and 2022.



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## 5. CAPITAL ASSETS

| | 1996 | | | 1995 |
|---|---|---|---|---|
| | Cost | Accumulated Depreciation | Net Book Value | Net Book Value |
| Land | $ 742,246 | $ - | $ 742,246 | $ 742,246 |
| Tourism and hotel buildings | 3,800,711 | 667,333 | 3,133,378 | 3,268,442 |
| Retail buildings | 1,526,794 | 304,913 | 1,221,881 | 1,272,793 |
| Condominiums | 173,475 | 22,946 | 150,529 | 156,801 |
| Tourism marine vessels | 1,422,753 | 888,668 | 534,085 | 583,836 |
| Parking lots | 201,004 | 68,890 | 132,114 | 139,736 |
| Furniture and equipment | 4,840,050 | 2,905,089 | 1,934,961 | 2,109,496 |
| Vehicles | 634,296 | 320,356 | 313,940 | 198,262 |
| Signs | 81,423 | 45,636 | 35,787 | 39,383 |
| | 13,422,752 | 5,223,831 | 8,198,921 | 8,510,995 |
| Assets on leased land | | | | |
| Tourism buildings | 10,209,195 | 2,481,078 | 7,728,117 | 7,815,550 |
| Parking lots | 107,405 | 22,131 | 85,274 | 83,349 |
| Swimming pool | 136,067 | 9,947 | 126,120 | 18,775 |
| Condominiums | 1,196,363 | 186,571 | 1,009,792 | 513,863 |
| | 11,649,030 | 2,699,727 | 8,949,303 | 8,431,537 |
| | $ 25,071,782 | $ 7,923,558 | $ 17,148,224 | $ 16,942,532 |

Assets on leased land are located within Jasper National Park on land held under various leases which expire between 2007 and 2022.



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## 6. INVESTMENTS IN AND ADVANCES TO SIGNIFICANTLY INFLUENCED COMPANIES AND OTHER INVESTMENTS

| | | 1995 | 1996 | | |
|---|---|---|---|---|---|
| | Ownership Percentage | Net Book Value | Advances to (from) Investee | Income (Loss) of Investee | Net Book Value |
| Significantly Influenced Companies | | | | | |
| Thomas Bus Sales (1990) Ltd. | 50% | $ 512,653 | $ - | $ 80,378 | $ 593,031 |
| Christmas in The Rockies (a partnership) | 50% | 38,890 | 120,451 | 515 | 159,856 |
| Maligne River Adventures Ltd. | 50% | 59,198 | (20,000) | 16,519 | 55,717 |
| Oxon Industries Inc. | 40% | - | 185,000 | (10,430) | 174,570 |
| Other significantly influenced companies | 20% - 50% | 95,884 | - | 17,459 | 113,343 |
| | | 706,625 | $ 285,451 | $ 104,441 | 1,096,517 |
| Other investments | | 235,857 | | | 248,153 |
| | | $ 942,482 | | | $ 1,344,670 |

Advances to significantly influenced companies are without interest and have no specified terms of repayment.

Other investments do not have a quoted market value.

## 7. GOODWILL

| | 1996 | 1995 |
|---|---|---|
| Cost | $ 879,914 | $ 879,914 |
| Accumulated amortization | 344,140 | 320,765 |
| | $ 535,774 | $ 559,149 |

## 8. BANK INDEBTEDNESS

| | 1996 | 1995 |
|---|---|---|
| Bank overdrafts and cheques written in excess of bank balances. | $ 351,604 | $ 373,027 |
| Operating line of credit bearing interest at prime plus 1/4%. The security is described in Note 9 under "Bank Loans". | 100,000 | 250,000 |
| | $ 451,604 | $ 623,027 |



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## 9. LONG-TERM DEBT

| | 1996 | 1995 |
|---|---|---|
| **Mortgages** | | |
| Mortgage bearing interest at 8.75% repayable in blended monthly payments of $88,444, maturing in May, 2001. The mortgage is secured by an unlimited corporate guarantee and debentures totalling $7,150,000 granting a floating charge over specific land, tourism buildings, furniture and equipment, condominium, and an assignment of rents, leases and insurance. | **$ 7,011,278** | $ - |
| Mortgage bearing interest at prime plus 1% repayable in blended monthly payments of $17,000, maturing in September, 1998. The mortgage is secured by specific land, a rental building and an assignment of rents and leases. | **1,594,024** | - |
| Mortgages bearing interest at rates from 8% to 9.75% repayable in blended monthly payments of $10,592 and annual principal payment of $21,843 plus quarterly interest, maturing at various dates from August, 1998 to August, 1999. The mortgages are secured by first fixed charges against a specific condominium and a specific tourism building, assignment of rents and insurance, and a chattel mortgage on specific furniture and equipment. | **913,106** | 988,319 |
| Mortgage bearing interest at a rate of 9% maturing in 2000 repayable in blended monthly payments of $6,000. The mortgage is secured by specific condominiums. | **500,000** | - |
| Mortgage bearing interest at prime plus 2% repayable in blended monthly payments of $1,895, maturing in 2009. The mortgage is secured by a specific rental property. | **153,553** | 159,282 |
| Mortgage, due January, 1996 | - | 5,802,711 |
| Mortgage, due December, 1995 | - | 1,629,945 |
| Mortgage, due May, 1996 | - | 200,000 |
| Carried Forward | **$10,171,961** | $ 8,780,257 |



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## 9. LONG-TERM DEBT (continued)

| | 1996 | 1995 |
|---|---|---|
| Brought forward | $ 10,171,961 | $ 8,780,257 |
| **Bank Loans** | | |
| Demand bank loans bearing interest at rates of prime plus 1.25% to 1.5% and fixed interest rates of 7% to 11% repayable in monthly payments of $111,875 including interest. Remaining amortization period is from 1 to 5 years subject to annual loan renewal. The loans mature at various dates from July, 1997 to July, 2001. | 7,075,499 | 8,046,950 |
| The above bank loans and operating line of credit (Note 8) are secured by demand debentures and general security agreements granting a fixed and floating charge over all assets of the Company and specific charges against certain properties held for development, rental properties, capital assets and assignment of rents and fire insurance proceeds covering all buildings, tourism marine vessels, furniture and equipment and inventories. | | |
| **Capital Lease** | | |
| Capital lease bearing interest of 11.71% repayable in blended monthly payments of $513 maturing December, 2000. The lease is secured by specific equipment. | 19,347 | - |
| | 17,266,807 | 16,827,207 |
| Less current portion | 1,830,715 | 1,606,171 |
| | $ 15,436,092 | $ 15,221,036 |

Principal repayments due within the next five years assuming bank loans subject to annual loan renewal are refinanced under similar terms.

| | |
|---|---|
| 1997 | $ 1,830,715 |
| 1998 | 1,883,148 |
| 1999 | 1,969,931 |
| 2000 | 1,656,767 |
| 2001 | 1,540,146 |
| | $ 8,880,707 |



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## 10. CONTINGENCIES AND COMMITMENTS

a) The Company has entered into long-term land lease commitments for land located in Jasper National Park which expire between 2007 and 2022. Land lease payments are determined based on appraised value of the land with $160,000 due for 1996 for certain leases.

Estimated lease payments over the next five years are as follows:

| | |
|---|---|
| 1997 | $ 160,000 |
| 1998 | 160,000 |
| 1999 | 160,000 |
| 2000 | 160,000 |
| 2001 | 160,000 |

In addition, a concession levy is payable to Jasper National Park and is determined annually based on certain tourism gross sales.

b) The Company has issued letters of credit or guarantees on behalf of companies over which it has significant influence in the aggregate amount of $465,000 as at September 30, 1996.

c) The Company has been named as a defendant in a legal case. The plaintiff is seeking recoveries/damages in the approximate amount of $500,000. The outcome of this case is uncertain at present. The Company is of the opinion that this claim is without merit and no loss will be incurred. No provision has been made in the accounts for this claim.

d) The Company has entered into a lease agreement with a company which is a shareholder of the Company for retail space in Spruce Grove, Alberta which expires on November 30, 2000.

Estimated lease payments over the next five years are as follows:

| | |
|---|---|
| 1997 | $ 14,625 |
| 1998 | 14,625 |
| 1999 | 14,625 |
| 2000 | 14,625 |
| 2001 | 2,438 |



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## 11. SHARE CAPITAL

Authorized
Unlimited Class A common shares
Unlimited Class B restricted, non-voting shares
100,000,000 first preferred shares
20,000,000 preferred, redeemable shares, redemption price to be determined upon issuance

| | 1996 | 1995 |
|---|---|---|
| Issued | | |
| Opening, 43,702,510 (1995 - 44,367,977) Class A common shares | **$ 12,087,776** | $ 12,271,839 |
| Repurchased, nil (1995 - 665,467) Class A common shares | - | (184,063) |
| Ending, 43,702,510 (1995 - 43,702,510) Class A common shares | **$ 12,087,776** | $ 12,087,776 |

In 1995, the Company repurchased 665,467 Class "A" common shares for total cash consideration of $92,453 as authorized by the Alberta Stock Exchange under a "Notice of intention to make a normal course issuer bid". The excess of the book value of the shares repurchased over the repurchase price being $91,610 was credited to contributed surplus.

## 12. INCOME TAXES

The income tax provision on the consolidated statements of earnings and retained earnings exceeds the Company's statutory income tax rate of 45% principally because the tax cost of capital assets is less than the carrying value for accounting purposes. The carrying value for accounting purposes was based on the fair market values of the assets at the time they were acquired by the Company. The tax cost of the assets did not change upon their acquisition. Therefore, depreciation expense for accounting purposes exceeds capital cost allowance for tax purposes.

The following reconciles income taxes calculated at the combined federal and provincial tax rate with the income tax provision in the consolidated financial statements.

| | 1996 | 1995 |
|---|---|---|
| Income tax based on the combined basic Canadian federal and provincial income tax rate | **$ 621,000** | $ 420,000 |
| Tax effect of depreciation greater than capital cost allowance | **130,000** | 130,000 |
| Large corporation tax | **50,000** | 50,000 |
| Tax effect of other permanent differences | **75,000** | 75,000 |
| | **$ 876,000** | $ 675,000 |



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## 13. RELATED PARTY TRANSACTIONS

Significant transactions with related parties not disclosed elsewhere in these financial statements are as follows:

a) Transactions and balances with companies over which the Company has significant influence (20% to 50% equity interest)

| | 1996 | 1995 |
|---|---|---|
| Capital assets purchased | $ 188,806 | $ - |
| Rental and tourism revenue | 165,433 | 108,182 |
| Management fees received | 100,000 | 75,000 |
| Gain on disposal of capital assets | 29,833 | - |
| Balances in accounts receivable | 164,604 | 28,912 |
| Balances in accounts payable | 286,860 | 18,540 |

b) Transactions with companies which are shareholders of the Company

| | 1996 | 1995 |
|---|---|---|
| Rental expense | $ 17,288 | $ - |
| Management fee expense | 113,671 | 72,000 |
| Capital assets purchased | 26,110 | 63,709 |

c) Transactions with companies controlled by a director of the Company

| | 1996 | 1995 |
|---|---|---|
| Vehicle lease expense | $ 102,826 | $ 91,911 |
| Advertising fees expense | 20,900 | 26,400 |
| Rental revenue | 72,000 | 72,000 |

d) Transactions and balances with companies over which shareholders of the Company have significant influence

| | 1996 | 1995 |
|---|---|---|
| Rental revenue | $ 28,890 | $ - |
| Retail revenue | 12,822 | - |

e) Transactions with individuals who are shareholders and, in some cases, directors of the Company

| | 1996 | 1995 |
|---|---|---|
| Legal expense | $ 37,393 | $ 9,920 |
| Directors' fees expense | 72,000 | - |



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## 13. RELATED PARTY TRANSACTIONS (continued)

f) Transactions with a company controlled by an individual in the Company's management

| | 1996 | 1995 |
|---|---|---|
| Retail revenue | $ 369,120 | $ 110,500 |
| Balances in accounts receivable | 10,647 | - |

g) Transactions with a company jointly controlled by an individual in the Company's management

| | 1996 | 1995 |
|---|---|---|
| Retail revenue | $ 96,675 | $ 70,000 |
| Balances in accounts receivable | 11,647 | - |

Generally, the above transactions are at market rates or are as agreed between the related parties. The balances have normal terms and conditions.

## 14. SUBSEQUENT EVENT

Subsequent to the year end, the Company entered into an agreement to sell the assets of one of its businesses and realized a gain on the transaction of approximately $215,000 before applicable income taxes.

## 15. COMPARATIVE FIGURES

Certain figures pertaining to 1995, presented in these financial statements for comparative purposes, have been restated to conform with the current year's presentation.



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## 16. SEGMENTED INFORMATION

| | Tourism and Hotels | | Retail | | Rental | | Eliminations | | Consolidated | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1996 | 1995 | 1996 | 1995 | 1996 | 1995 | 1996 | 1995 | 1996 | 1995 |
| Revenue from external customers | $ 11,367,499 | $ 11,044,346 | $ 9,514,932 | $ 10,257,754 | $ 1,063,293 | $ 871,099 | $ - | $ - | $ 21,945,724 | $ 22,173,199 |
| Inter-segment revenue | 158,000 | 83,004 | - | 304,238 | 285,103 | - | (443,103) | (387,242) | - | - |
| GROSS REVENUE | $ 11,525,499 | $ 11,127,350 | $ 9,514,932 | $ 10,561,992 | $ 1,348,396 | $ 871,099 | $ (443,103) | $ (387,242) | $ 21,945,724 | $ 22,173,199 |
| SEGMENT OPERATING EARNINGS (LOSS) | $ 2,937,812 | $ 2,718,880 | $ (488,667) | $ (396,934) | $ 733,784 | $ 774,622 | $ - | $ - | $ 3,182,929 | $ 3,096,568 |
| Income from investments in significantly influenced companies | | | | | | | | | 104,441 | 95,590 |
| Other income | | | | | | | | | 171,769 | 229,400 |
| General corporate expenses | | | | | | | | | (573,418) | (660,707) |
| Interest on long-term debt | | | | | | | | | (1,504,826) | (1,579,614) |
| Provision for impairment in value of assets | | | | | | | | | - | (101,175) |
| Other charges | | | | | | | | | - | (149,496) |
| Income taxes | | | | | | | | | (876,000) | (675,000) |
| NET EARNINGS | | | | | | | | | $ 504,895 | $ 255,566 |
| Identifiable segment assets | $ 15,402,842 | $ 14,627,584 | $ 3,378,355 | $ 3,886,014 | $ 10,550,180 | $ 9,912,639 | $ - | $ - | $ 29,331,377 | $ 28,426,237 |
| Corporate assets | | | | | | | | | 2,908,692 | 3,153,694 |
| Investment in affiliates | | | | | | | | | 1,344,670 | 942,482 |
| TOTAL ASSETS | | | | | | | | | $ 33,584,739 | $ 32,522,413 |
| CAPITAL EXPENDITURES | $ 1,193,978 | $ 459,379 | $ 146,313 | $ 706,811 | $ 399,727 | $ 2,082,001 | $ - | $ - | $ 1,740,018 | $ 3,248,191 |
| DEPRECIATION AND AMORTIZATION | $ 814,169 | $ 932,457 | $ 285,441 | $ 436,722 | $ 386,732 | $ 259,869 | $ - | $ - | $ 1,486,342 | $ 1,629,048 |

The Company operates primarily in three industries - tourism and hotels, retail and rental. Tourism and hotel operations includes providing recreational services at Maligne Lake in Jasper National Park, Alberta and hotel accommodations in Jasper, Alberta and Stony Plain, Alberta. Retail operations comprise the marketing of a variety of goods in various locations throughout Alberta. Rental operations consist of renting commercial and residential properties in various locations in Alberta. Inter-segment revenues are accounted for at prices comparable to open market prices for similar products and services.

Deloitte & Touche